

DRC Project Review Memo

Applicant: IWRV Scudders Road LLC

Type of Application: Pre-Application/Concept Plan Discussion

Project: Fusion at Plainsboro Mixed-Use Development

Property Location: 700 Scudders Mill Road (Block 1601, Lot 50)

Site Area: 56 acres

Zone: PMUD, Planned Unit Development Zone District

Present Use of Property: Undeveloped

Adjacent Land Uses:

North:	Open Space and Office/Research Development (incl. former BMS property)
South:	Office/Research/Manufacturing (Firmenich)
East:	Open Space and Office/Research (Novo Nordisk)
West:	Open Space

INTRODUCTION

The subject 56-acre property is owned by the applicant, IWRV Scudders Road LLC (formerly it was owned by Ivy Realty but now is owned by Ivy and WRV) and is currently approved for an office/research development (including a childcare center) containing 723,879 square feet, which has vested site plan approval until June 30, 2026. Instead of this approved office/research development the applicant wishes to develop the subject property for a mixed-use development that would include residential, commercial, hotel, office, and recreational facilities.

Below is background history on the property, a discussion regarding compliance with current Township land use policies (Master Plan and zoning regulations), details on the applicant's vision for the property, and project details and phasing. Lastly, there is a discussion regarding anticipated project impacts (stormwater management, traffic, and fiscal impacts) and the next steps in order to formally consider the applicant's proposal.

BACKGROUND

History of Prior Approval:

In October 1981, the Planning Board considered a concept plan from Merrill Lynch (ML) to develop a portion of its approximately 275 acres of land, of which 224 acres was situated in the PMUD District, comprising approximately 141 acres of developable land and approximately 83 acres designated for common open space. The Merrill Lynch site subsequently received various subdivision and site plan approvals, which can be summarized as follows:

- The proposed development within the PMUD District devoted to the now-former Merrill Lynch corporate campus approved over 40 years ago comprised a total of 1.781 million square feet of office-research use and hotel/training center space;
- To date, approximately 1.057 million square feet of the campus has been constructed and is presently occupied by Novo Nordisk, the Holiday Inn Express, and the Crown Plaza;
- In August 2000 ML Plainsboro Limited Partnership received preliminary major site plan and subdivision approval (P00-10) for the remaining undeveloped floor area of 723,879 square feet, to be developed on the vacant 56 acres parcel on the western side of the overall planned development. This final phase of the project was to include four office buildings, a technology center, a childcare center for 300 children, and associated parking garages and surface parking. At present, the subject parcel has extended vesting for this development until June 30, 2026.

Recent Master Plan Re-examinations:

In the April 2019 and October 2022, the Planning Board adopted Master Plan Re-Examination Reports that both made mention under a section labeled "Major Problems and Objectives facing the Township," that:

"...the persistent lack of demand for large scale office development and the high-vacancy rate of existing office within the township, against a back drop of large tracts of land in the PFC that is zoned, planned, and in some cases approved for large scale office development, one of the major challenges continues to be the consideration of new, more sustainable, land use options for such areas that will complement planned

and existing nearby developments, and contribute to an enhancement of the quality of life in the community.”

2022 Master Plan Update and the PMUD Zone:

The Updated Land Use Plan identifies the subject property for consideration for mixed-use development, noting that such use responds to changing land use trends by allowing more flexibility for mixed-use infill development options in locations such as existing corporate office complexes. Parcels that may be considered for mixed-use development, but which currently are dominated by a single use (e.g., office), will now have the opportunity to evolve in the future as land use trends and markets change.

In March 2020, the Township adopted a “PMUD Zone Use Location Map” intended to guide where land uses should be located within the PMUD Zone to complete the build-out of the zone consistent with sound planning and the development of supportive infrastructure. Regarding such map, the PMUD Zone regulations (§101-137.1) state that the uses set forth on the map should be developed as shown (e.g., subject property is designated for Office/Research); however...

The Planning Board, in its discretion and for good cause shown, shall be authorized to approve a variation in the location of a given use or uses upon application by a developer. To approve a variation from the land use designation on the map, the Planning Board must find that such variation will not substantially impair the intent and purpose of the PMUD Zone, including the intent and purpose of the location map and existing and planned infrastructure, or be substantially detrimental to the public health, safety and welfare.

The PMUD Zone includes a permitted use, Mixed-Use Multiple Dwellings, intended to encourage mixed-use development, provided the proposed dwellings are integrated into an existing planned development that contains a mix of uses (office, hotel, restaurant, retail, health club), and where the property contains a minimum of 50 acres of land. Such a development may include outdoor amenity spaces, including recreational facilities. The entirety of such a development shall be referred to as a “mixed-use planned development.” The proposed development, which includes the existing former Merrill Lynch complex, complies with the applicable zoning requirements for the proposed use (e.g., residential density, non-residential F.A.R., and common open space).

In the PMUD Zone the current height limit applicable to the proposed Mixed-Use Multiple Dwellings is four (4) stories or sixty (60) feet, whichever is less, and the height limit of any other building in the zone is 60 feet. Since the proposed mixed-use buildings are five stories in height, exceeding the four story limit but not the 60 foot height limit, the applicant will need to seek relief in the way of a bulk variance [NJSA 40:55D-70(c)(2)] which the Board is empowered to grant for cause.

The floor area limitation associated with the unbuilt portion of the Merrill Lynch complex (723,879 square feet) was based on the prior site plan approval for the overall site and the floor area ratio (FAR) limitation that was contained in the former General Development Plan for the Princeton Forrestal Center, which itself was only applicable to non-residential properties on the east side of Route One in the PMUD Zone. This same restriction was picked up in the changes to the PMUD Zone in 2020 (§101-140B(1)). However, since the 723,879 square feet of unused non-residential space applicable to the site far exceeds the roughly 200,000 square feet of non-residential floor area proposed for the project, the FAR restriction for the property is fully satisfied.

PROJECT VISION & DESCRIPTION

The applicant states that the Fusion project has been designed to be integrated with the existing planned development, the former Merrill Lynch complex, by providing both internal pedestrian, bicycle and vehicular connections with the adjacent Novo Nordisk office complex and locating the proposed office building on the east side of the site, adjacent to the neighboring office use. The open space has been designed to protect the existing wetlands located on the site, and to be more connected with the existing planned development by a series of active and passive recreation and open spaces and a comprehensive trail network.

Project Vision:

According to the applicant's narrative, the concept and vision for the project is to satisfy several key elements that the applicant believes are missing in the Princeton Forrestal Center and the Route One corridor, in light of emerging trends for mixed-use projects, including:

- A compact, walkable, dynamic place designed with a lively streetscape and public space that supports a vibrant lunchtime and after-work scene, where collaboration and innovation continue with co-workers outside the workplace – a hallmark of the “new collar” economy and lifestyle;
- Unique, destination food and beverage uses, including a feature that would be truly unique in the region – a Food Hall / Beer Garden / Distillery;
- A variety of housing types, responding to local market conditions, that are suitable to a compact mixed-use development concept;
- Mixed-use living for multiple market segments – millennials, empty nesters, medical professionals, business travelers, among others; and,
- “Right-sized” office and other workspace in ground floor mixed-use and smaller office formats that would not compete with the existing large office building vacancies in PFC and an expanded range of active and passive recreation and entertainment opportunities.

Project Description:

The Project envisions the creation of a well-integrated and walkable mixed-use development that will include:

- A dynamic food and beverage / recreation / entertainment “hub” that will function as an amenity and help to retain and attract tenants to nearby vacant and under-utilized office properties, adding longer-term value to the Princeton Forrestal Center (PFC);
- A flexible outdoor public gathering space designed to accommodate a range of community activities (e.g., farmers market, arts/crafts shows, entertainment events);
- Office and flex spaces located in a smaller building and in ground floor mixed-use buildings that will respond to current and future office space needs, without adding larger free-standing office buildings that would otherwise cannibalize existing vacant/underutilized office buildings in the PFC;
- A variety of housing types including apartments in mixed-use buildings, as well as stacked and traditional townhouse dwellings that, collectively, will help to activate the corridor by providing a live-work-play environment for the Township’s residents and employees;
- Provide affordable housing in response to the Township’s commitment to meeting such housing need and to satisfying the anticipated affordable housing requirements under the Fourth Round of the state’s “COAH” affordable housing requirements;
- A 100-key hotel, including long-term stay corporate rentals, integrated into the mixed-use activity center, which will benefit neighboring employers and their workforce (e.g., Novo Nordisk); and
- The ability to attract a more diverse workforce that desire to live, work, and recreate in mixed-use activity centers with increased walkability/bike-ability/transit accessibility, housing options closer to one’s place of employment, and an enhanced sense of place or community.

PROPOSED DEVELOPMENT PROGRAM

In April 2023, the Planning Board considered an alternative version of the mixed-use development concept that is now proposed for the subject property. Below staff have identified the primary programmatic changes to the plan from the April 2023 Plan to the November 2024 Plan:

Changes to the Development Program from April 2023 to November 2024:

<u>Proposed Use</u>	<u>2023</u>	<u>2024</u>	<u>Change</u>
Office	42,000 sf	38,400 sf	↓3,600 sf
Hotel ¹	70 keys	100 keys	↑30 keys
Experiential Food & Beverage	40,000 sf	20,300 sf	↓20,000± sf
Mixed-Use Buildings (Non-Res.)			
Ground-Floor Non-Residential ²	71,700 SF	43,648 sf	↓28,000± sf
Ground-Floor Residential Amenities ³	16,000 SF	8,113 sf	↓8,000± sf
Residential Units			

Total Unit Count	435 units	525 units	↑90 units
Multi-Family Units	435 units	385 units	↓50 units
Townhouses (stacked and traditional)	0 units	150 units	↑150 units
Age-Restricted	64 units	0 units	↓64 units
Affordable Housing Units ⁴	56 units	86 units	↑30 units
Open Space	45%-50%	45%-50%	no change

Notes:

1. Hotel proposed to contain approximately 98,000 sq. ft. and 100 rooms, with the majority of the first floor to be given over to hotel lobby and related hotel activities, in addition to a full service restaurant with a bar, and possibility other ground floor non-residential activities.
2. Ground-Floor Non-Residential is flexible commercial space that may include retail, personal service, co-work/office space, health club, professional office, restaurant, entertainment, and other appropriate non-residential permitted in the PMUD Zone.
3. Ground-Floor Residential Amenities would primarily serve the residents and may include lobby/common area space, co-work/office space, fitness facility, leasing/management offices, and similar uses that would contribute to the activation of the ground floor of the mixed-use buildings.
4. 2023 figure represented 12.7% of overall 435 residential units proposed. 2024 figure represents number expected under Fourth Round of "COAH" affordable housing requirement of 15% for multifamily and 20% for the for-sale townhouse units proposed.

The applicant states that they recognize that the project they are presenting is not the same one that was presented to staff and the Planning Board more than a year ago, and that they have benefitted from the extra time and the continued analysis that it permitted.

As before, their objective continues to be multi-faceted. They are proposing a mixed-use project that has the potential to be a commercial success and remains sustainable into the future. They seek to balance complimentary uses not only within the program, but with the surrounding existing development. They seek to be respectful to what is already built, yet be able to respond to changing market demands over time. They also seek to make Fusion economically sustainable as a long-term contributor to the developers, users, and public sectors of the Township.

They indicate that they have learned that the current housing demand is unmet, particularly in the case of for-sale housing. Their current proposal seeks to balance the offered housing types among a variety of for-sale housing and rental options. They expect that this will provide for several entry points serving first time buyers and retirees, as well as providing an increased number of affordable units throughout the project.

All three mixed-use buildings are intended to contain a mix of non-residential ground floor uses, with the intention of activating the west side of the main street (dining terrace frontage) with mostly food service uses. While the current market indicates mostly food and beverage uses, the applicant wishes to maintain flexibility in how they lease the space to minimize vacancy and maximize foot traffic in the area.

According to the applicant, they have been analyzing and right sizing the program for the proposed uses and attempting to incorporate flexibility so that they can attract the best users. They mention that they fully expect to market to a microbrewery/distillery (as this avails them to acquire another liquor license), but they may have additional space not utilized by the microbrewery/distillery that will work well as a separately operated food hall.

One of the main objectives of the project is to ensure that the community green is and remains the vibrant, festive heart of Fusion, and attracts users from the new units, walkable nearby offices, and the community at large. They view the office developments that surround Fusion as being largely single-use developments with few options for food, services, or entertainment, and they believe Fusion will help to correct this imbalance. Lastly, they indicate that they expect that the addition of program elements, including more diverse housing, will make the existing nearby office developments more attractive to employees, and thereby assist employers with employee retention.

General Phasing Plan:

The applicant intends to maintain a balanced approach throughout the planning and construction process, to be able to respond to the ever-changing market. Generally, it is anticipated that the first phase will begin at the south end of the site (that is, the mixed-use buildings, non-residential uses including the Food & Beverage / Restaurants and the Hotel), with subsequent phases including the townhouse units and the stand-alone office building.

PRELIMINARY REVIEW OF PROJECT IMPACTS

In support of the Concept Plan Review, the applicant has provided a preliminary analysis of the Project's stormwater and infrastructure design, traffic, and fiscal impacts.

Stormwater and Infrastructure

- Stormwater management will utilize several NJDEP approved Best Management Practice ("BMP") measures throughout the entire Project;
- Stormwater management options include porous pavement in parking lots, bio-retention swales in landscape islands of parking lots, recharge/bio-infiltration swales along roadways, wet ponds in green areas around walkways, green infrastructure spread throughout the site, bio-infiltration basins, underground basins, green roofs to be considered if/where appropriate;
- The Project will not include the typical "one big hole" at the low end of the site. Stormwater measures will be utilized near the new impervious surfaces including underground and surface options;
- Upcoming NJDEP rules on increased rainfall amounts will be accounted for within the stormwater design (staff note that these rules have now been adopted); and,
- Stormwater measures will be incorporated into site improvements.

Traffic Impacts

- The site was previously planned and approved for development of 723,879 SF of office space;
- The proposed mixed-use program provides a mix of uses that both interact internally as well as support the surrounding developed properties;
- The proposed Project's mixed-use development results in significantly reduced weekday morning and evening commuter hour traffic impacts as compared to a single-use office development previously approved for the tract;
- The proposed Project's mix of office, retail, residential and restaurant space will generate approximately 500 less vehicle trips per hour during the weekday morning peak hour and weekday evening peak hour;
- Significant Roadway Improvements previously identified to support the development of the site and adjoining sites have already been constructed;
- The site has potential access to two signalized intersections on two separate roadways, one existing (Plainsboro/Campus Road) and one future (Scudders Mill Road);
- The access locations are consistent with prior approvals for the site and will allow traffic to disperse regionally to the roadway system in a logical and efficient manner; and,
- The proposed Project's mixed-use development would provide for reduced peak hour traffic impacts and more balanced traffic flow as compared to other single uses (office) permitted in the PMUD Zone.

Fiscal Impacts¹

- Value of the Project: **\$221.8 million** (up from \$152.6 million);
- Anticipated number of public-school students: **127 students** using the average of the Center for Urban Policy Research (CUPR) and the Township's multipliers (up from 8 students using CUPR multipliers or 104 students using Township's multipliers); and,
- Overall annual tax revenue: surplus of **\$1,714,340** using the average of the CUPR and Township multipliers (down from \$2,737,660 using the CUPR multipliers or up from \$849,340 using the Township's multipliers).

Notes:

1. Based on the October 2024 Summary of Fiscal and Financial Implications for the Project prepared by Richard B. Reading Associates, compared to data associated with the Concept Plan presented to the Planning Board in April 2023.

It is staff's understanding that the applicant has been in communications with Princeton University on this project, and that the University is supportive of the project as currently conceived.

STAFF COMMENT

Given the findings cited above in the BACKGROUND section regarding the updated Master Plan and land use map, the PMUD Zone Use Location Map, and the Mixed-Use Multiple Dwellings as a permitted use in the PMUD Zone, it is staff's opinion that the proposed use of the subject 56-acre site for mixed-use planned development is in general accordance with the Township's current land use policies and regulations, subject to the Planning Board's approval of a Variation from the PMUD Zone Use Location Map pursuant to §101-137.1 of the Township Code, as well as the height variance referenced at the bottom of page 3.

Staff believe that critical to the success of this project, from the standpoint of its vibrancy as a "mixed-use development," as well as from a fiscal impact perspective involving the Township, is the relationship between the residential component, in terms of number and type of residential units (385 multifamily-rental and 140 townhouse for-sale) and the quantity and character (type of uses) associated with the non-residential portions of the project. While staff are supportive of the overall design of the project, including the location of the various elements of the plan (streets, buildings, open space), we are concerned about the significant reduction in the quantity (floor area) of non-residential uses in the project as depicted in the table above, as well as the reduced fiscal benefits to the Township as a result of changes reflected in the current concept plan summarized above. Given the critical nature of these issues, further discussion on such matters with the DRC and particularly the Planning Board is warranted.

NEXT STEPS

The upcoming meeting with the DRC and Planning Board is intended as an informal opportunity for the applicant to present the proposed project to the Board and for the Board to offer non-binding feedback on the project to the applicant, including their concerns and/or issues that may warrant changes to the proposed development program and/or the overall plan.

Following the Planning Board meeting, and after addressing any concerns or issues raised at the Board meeting, the applicant may submit a request for a variation from the PMUD Zone Use Location Map, along with the submission of development applications (including the required variance request for building height) including major site and subdivision development plans, other detailed plan drawings (e.g., architectural, landscape), technical reports (e.g., stormwater management, utilities, traffic including directional distributions, impacts and off-site improvement obligations, parking, fiscal impact including phasing plan), and ultimately, a Developer's Agreement.

For more details regarding the project, see the applicant's Project Narrative dated October 18, 2024, the Preliminary Traffic Evaluation dated October 17, 2024, the Fiscal Impact Analysis dated January 24, 2023, revised October 15, 2024, and the detailed graphic images for the Fusion @ Plainsboro dated October 18, 2024.